

VZCZCXYZ0000
OO RUEHWEB

DE RUEHUNV #0536/01 3351415
ZNY CCCCC ZZH
O 011415Z DEC 09
FM USMISSION UNVIE VIENNA
TO RHEHNSC/NSC WASHDC IMMEDIATE
RUEANFA/NRC WASHDC IMMEDIATE
RHEBAAA/DOE WASHDC IMMEDIATE
RUCPDO/DEPT OF COMMERCE WASHDC IMMEDIATE
RUEHC/SECSTATE WASHDC PRIORITY 0336
INFO RUEHKO/AMEMBASSY TOKYO 0809

C O N F I D E N T I A L UNVIE VIENNA 000536

SIPDIS

FOR D(S), P, T, S/SANAC, IO, AND ISN
DOE FOR NA-20, NA-24, NA-25, NE-1, NE-6
NRC FOR OIP DOANE, HENDERSON, SCHWARTZMAN
NSC STAFF FOR SCHEINMAN, CONNERY
DOS FOR 1000 ITA/OFFICE OF THE UNDER SECRETARY
DOS FOR 1001 ITA/USFCS/TPCC

E.O. 12958: DECL: 12/01/2023
TAGS: [AORC](#) [KNNP](#) [IAEA](#)
SUBJECT: IAEA:REPLACEMENT NEEDED FOR DEPUTY DIRECTOR
GENERAL TANIGUCHI

REF: A. (A) UNVIE 322
[1](#)B. (B) STATE 91301
[1](#)C. (C) UNVIE 478

Classified By: AMBASSADOR GLYN T. DAVIES, REASONS 1.4 (b) AND (d)

Summary

[1](#)1. (C) UNVIE requests development of a U.S. position on a candidate to replace Deputy Director General Taniguchi as the head of the Department of Safety and Security at IAEA. The current DDG,s contract ends August 2010, but will leave office sooner. IAEA Director General-elect Amano could make a decision about who will replace DDG Taniguchi as early as December. With an informal field of unattractive options taking shape, Mission recommends that USG identify a specific candidate whom Ambassador Davies would advocate to Amano. The U.S. must begin lobbying for a candidate as soon as possible in order to ensure the position is filled with an individual from a like-minded country and aligned with U.S. views on nuclear safety issues.

[1](#)2. (C) Absent a specific alternative candidate and concerted U.S. lobbying, the position will almost certainly go to a French candidate (possibly an internal candidate currently in a D-1 position). This outcome would be undesirable and erode U.S. influence in the Department. The French already have undue influence over the Safety Department and often front for Areva,s interests. In considering alternative candidates, we must also factor in geographic and gender distribution as to the four DDG slots likely to come open early in Amano's tenure) Safety/Security, Technical Cooperation, Nuclear Applications and Nuclear Energy, as well as the newly announced opening for the head of Legal Affairs.

Russia will undoubtedly seek to retain the Nuclear Energy DDG position while China seeks the TC DDG slot. Thus, Nuclear Safety/Security is potentially wide-open for a like-minded candidate who can support U.S. interests. End
Summary

Need a Qualified Leader

[1](#)3. (C) Ref A (paras 6-7) laid out Mission's views on replacing current Deputy Director General for Nuclear Safety and Security Tomihiro Taniguchi. Incoming DG Amano appears receptive to U.S. views on the appointment, in part as he recognizes it as part of the process to maximize the IAEA's contribution to meeting President Obama's policy goals in

nuclear security. First and foremost, the Department of Safety and Security needs a dedicated manager and a strong leader. For the past 10 years, the Department has suffered tremendously because of DDG Taniguchi's weak management and leadership skills. Despite our effective engagement with others in his department, Taniguchi has been unable or disinclined to resolve internal disagreements, has not provided much leadership or direction, has not worked well with the other DDGs, and has not supported the very important work of the Office of Nuclear Security even to the point of diverting limited security funds to safety activities. This attitude has hindered progress that the Department of Safety and Security could have made over the last several years.

¶4. (C) Taniguchi's departure provides an opportunity to improve the management of this department. This is especially important for the Office of Nuclear Security, which will now have more regular budget resources and will need firmer direction as it expands over the next few years.

¶5. (C) The new DDG for the Department must have experience in both safety and security; (Taniguchi only had a safety background). Also the DDG must be able to manage internal and external politics and be able to lead the program rather than hinder it. Finally, the ideal candidate must also be able to clearly communicate and make decisions.

A "Reliable Person from
a Reliable Country"

¶6. (C) Lacking a public solicitation to respond to, no formal candidates have announced interest in the DDG position. Procedurally, for this and each DDG position, DG Amano will at some point in his tenure propose a single name to the

Board after he sorts among expressions of interest that reach him from Member States. In anticipation of this process, rumors are circulating in the Secretariat and among Member State delegations that Australia, Canada, Argentina, and France are all interested in the position.

¶7. (C) Recently, the most prominent Australian candidate (Ron Cameron) accepted a position at the Nuclear Energy Agency in Paris, thus lowering the likelihood that Australia will nominate someone. Australia does not have a large safety program or a very large security program. Even if Australia puts forward a candidate, the individual would probably not have the expertise the U.S. would need to support them.

¶8. (C) The first rumors about Canada indicated that the former Canadian Ambassador and Board Governor Marie Gervais-Vidricaire was interested in the position. She was one of Amano's earliest and strongest supporters in the DG election campaign. However, the prevailing sentiment among our contacts is that she would not be able to get the position because she does not have a technical background and her husband already works for the Agency at a senior level. UNVIE would agree with this assessment, though Gervais-Vidricaire was a respected diplomatic interlocutor. Although she has demonstrated strong leadership skills as the Canadian Governor, it would be best to have technical person who is immersed in the issues and the policies of safety and security activities rather than a diplomatic generalist to head this Department. A more technical person from the Canadian regulator or other government organization that has both safety and security expertise could be a good alternative.

¶9. (C) Argentina's Abel Gonzalez is also rumored to be interested in the job. He works for the Argentinean safety regulator, has worked at the IAEA before and remains heavily involved in IAEA activities. He is well-liked at the IAEA but many Member States do not agree with Argentina's strong stand on issues, particularly its challenge to the proposition that nuclear security is a core mission of the Agency. In our observation, including in annual debates in the General Conference Committee of the Whole, Gonzalez does not believe that safety and security are different activities. It is unlikely that he would be a strong supporter of the Office of Nuclear Security and he would lean toward absorbing Security into the Safety activities. As a

subject matter expert from a G-77 state with an advanced civil nuclear program Gonzalez, if he applies, will be a strong candidate for the position, however, not one that the U.S. should support.

¶10. (C) Among the declared candidates⁸ this leaves France, which already has a strong and unhealthy influence in the Department of Safety and Security. The French currently hold several key positions in the safety area, including one of the two D-1 positions directly reporting to the DDG, and there is a French representative in almost every section of the safety department. Many IAEA staff (both U.S. citizens and non-U.S. citizens) have complained to Msnoffs about the internal politics played by the French management (favoring French staff, giving French staff more opportunities, influencing results and documents to favor French industry, etc.). One prominent example of this is the undue influence of Andre LaCoste, head of the French Regulatory Body, ASN. LaCoste is the Chairman of almost every important IAEA-sponsored conference, workshop, and committee in the safety field. He has been the head of the Commission of Safety Standards for six years and was Chairman of the Joint Convention for Spent Fuel and the Convention on Nuclear Safety. LaCoste has used these positions to influence the results of IAEA activities with a very blatant French bias. This is coupled with the strong presence at the IAEA of AREVA, the French government's reactor designer and vendor. AREVA has business interests in all parts of the nuclear industry, including uranium mining, conversion, enrichment and fuel manufacturing. Because AREVA is government-owned, AREVA representatives are allowed to participate in IAEA meetings as French government representatives, and often do, giving AREVA tremendous influence over the activities of IAEA and access to other governmental officials. Indeed, the French Deputy Permanent Representative departed Vienna last summer is now working on secondment at AREVA, illustrating the revolving door between the French IAEA presence and industry. Lacoste's role is unhealthy because no one

Member State should have so much influence over the safety program, and because it is unfair to other reactor vendors (or uranium mining, conversion, enrichment or fuel manufacturing companies) that are privately owned, including those from the U.S.

¶11. (C) A recent example of the French influence came during a workshop for newcomers (states considering or embarking on nuclear power programs) that took place 3-5 November in Vienna. The purpose was to give newcomers an opportunity to discuss issues and learn from each other. The agenda was structured to allow each country to have two speakers, one from the regulator and one from the industry. LaCoste was the Chairman and France was the only country with four speakers, using more than twice the amount of time allotted to everyone else. In addition, the French position that all assistance to newcomer countries should be a service that the newcomer country should pay for was the only position that appeared in the Chairman's conclusions of the workshop, though that is not the position of any of the other donor⁸ countries that gave presentations) U.S., UK, Canada, Japan, Korea, China, etc. Yet at the end of the meeting, LaCoste included in the Chairman's summary an assertion that the conference had concluded newcomers were asking for too much assistance and that assistance should be restricted (or paid for). When participants raised their hands to object, LaCoste said there would be no discussion of the Chairman's summary and closed the meeting. Therefore, the French position is now validated⁸ because an international conference of 45 Member States "came" to this conclusion.

¶12. (C) There are many other examples of French influence on safety documents and IAEA forums to benefit French interests and promote AREVA, or French IAEA staff discouraging Member States from considering other countries, reactor designs. All of this suggests the U.S. should provide a strong alternative to a French candidate. If the French manage to obtain Taniguchi's position, Mission is concerned that the entire Department of Safety and Security may ultimately be indistinguishable from another arm of AREVA. This will have a negative impact on the safety and security work and will

have a detrimental effect on the U.S. nuclear industry,s
ability to sell reactors overseas.

Time To Lobby is Now

¶13. (C) According to UNVIE contacts, the French are pressing very hard for the DDG position and have been lobbying Amano heavily, who is indebted to the French for early support to his election especially with the EU. High-level officials in the French government routinely called DG ElBaradei during his tenure to discuss the hiring of French representatives. Because of the importance of this issue to the French government, it is likely that President Sarkozy,s office has been or will be involved. Therefore it is imperative that the U.S. identify and lobby for an alternative candidate as soon as possible. The U.S. should not wait to find a preferred candidate once the French officially announce their candidate; it would be much better to find a candidate and lobby Amano now and in his first month in office to have an influence on the position.

¶14. (C) Consistent with earlier private statements to us from the Japanese Mission (ref A) that Amano would avoid the poor optics of keeping a fellow Japanese as DDG, we heard from Amano,s staff that Amano will give Taniguchi a &golden parachute8 and remove him from the DDG position in December.

This could be in the form of a post as special assistant to the DG. If the DDG position opens in December, the position will likely be filled temporarily by rotating the two D-1 directors in the Department into the DDG position (Mr. Philippe Jamet, and Ms. Eliana Amaral). Although not in D-1 positions, there are two other D-1,s in the Department who could potentially also be part of the rotation (Mr. Khammar Mrabit and Ms. Anita Nilsson). Jamet is French and is likely to be the French candidate for the DDG position. This rotational experience will make it even more difficult to find a candidate who is competitive with Jamet, who would also presumably be considered an &internal8 candidate for the job.

Comment

¶15. (C) It is imperative that the U.S. begin lobbying for a DDG safety candidate immediately in order to ensure the best interests of the U.S. are met in the Department. Mission urges active discussion in Washington on attributes and national obligations that influence our decision, but also consideration of specific names. We will query Amano, about how his thinking has advanced and whether he will share with us any specific names already brought to him.

DAVIES